

State of South Dakota

EIGHTY-SEVENTH SESSION LEGISLATIVE ASSEMBLY, 2012

717T0535

SENATE BILL NO. 124

Introduced by: Senators Rhoden, Adelstein, Begalka, Buhl, Cutler, Frerichs, Fryslie, Gray, Hansen (Tom), Holien, Hundstad, Hunhoff (Jean), Johnston, Juhnke, Kraus, Krebs, Lederman, Maher, Nelson (Tom), Nygaard, Olson (Russell), Peters, Putnam, Rampelberg, Rave, Schlekeway, Sutton, Tidemann, Tieszen, and Vehle and Representatives Lust, Bolin, Boomgarden, Brunner, Conzet, Dennert, Dryden, Greenfield, Hansen (Jon), Hickey, Hoffman, Hubbel, Hunhoff (Bernie), Jensen, Kirkeby, Liss, Lucas, Miller, Nelson (Stace), Olson (Betty), Perry, Romkema, Rozum, Sly, Tornow, Turbiville, Van Gerpen, Vanneman, Venner, Verchio, White, and Willadsen

1 FOR AN ACT ENTITLED, An Act to revise per student allocation for state aid to education,
2 to revise the property tax levies for the general fund of school districts, and to revise certain
3 provisions concerning state aid and local effort.

4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF SOUTH DAKOTA:

5 Section 1. That subdivision (4) of § 13-13-10.1 be amended to read as follows:

6 (4) "Per student allocation," for school fiscal year ~~2012 is \$4,389.95~~ 2013 is \$4,494.28.

7 Each school fiscal year thereafter, the per student allocation is the previous fiscal
8 year's per student allocation increased by the index factor;

9 Section 2. That § 10-12-42 be amended to read as follows:

10 10-12-42. For taxes payable in 2012 and each year thereafter, the levy for the general fund
11 of a school district shall be as follows:



1 (1) The maximum tax levy shall be eight dollars and forty-nine ~~and one tenth~~ cents per
2 thousand dollars of taxable valuation subject to the limitations on agricultural
3 property as provided in subdivision (2) of this section, and owner-occupied property
4 as provided in subdivision (3) of this section;

5 (2) The maximum tax levy on agricultural property for such school district shall be two
6 dollars and thirty-eight ~~and eight tenths~~ cents per thousand dollars of taxable
7 valuation. If the district's levies are less than the maximum levies as stated in this
8 section, the levies shall maintain the same proportion to each other as represented in
9 the mathematical relationship at the maximum levies; and

10 (3) The maximum tax levy for an owner-occupied single-family dwelling as defined in
11 § 10-13-40 for such school district shall be three dollars and ninety-six ~~and five~~
12 ~~tenths~~ cents per thousand dollars of taxable valuation. If the district's levies are less
13 than the maximum levies as stated in this section, the levies shall maintain the same
14 proportion to each other as represented in the mathematical relationship at the
15 maximum levies.

16 All levies in this section shall be imposed on valuations where the median level of
17 assessment represents eighty-five percent of market value as determined by the Department of
18 Revenue. These valuations shall be used for all school funding purposes. If the district has
19 imposed an excess levy pursuant to § 10-12-43, the levies shall maintain the same proportion
20 to each other as represented in the mathematical relationship at the maximum levies in this
21 section. The school district may elect to tax at less than the maximum amounts set forth in this
22 section.

23 Section 3. That § 13-13-72 be amended to read as follows:

24 13-13-72. It is the policy of the Legislature that the appropriation for the state aid to

1 education foundation program increase on an annual basis by the percentage increase in local
2 need on an aggregate statewide basis so that the relative proportion of local need paid by local
3 effort and state aid shall remain constant. ~~For school fiscal year 2013, it is the policy of the~~
4 ~~Legislature that the relative proportion of the total local need paid by state aid shall be amended~~
5 ~~by adjusting the proportion of state aid to fifty-three and eight-tenths percent of the total local~~
6 ~~need.~~ However, the increase in the per student allocation on an annual basis that exceeds three
7 percent shall be paid solely by the state and is not a factor in this policy.

8 Section 4. That § 13-13-72.1 be amended to read as follows:

9 13-13-72.1. Any adjustments in the levies specified in § 10-12-42 made pursuant to §§ 13-
10 13-71 and 13-13-72 shall be based on maintaining the relationship between statewide local
11 effort as a percentage of statewide local need in the fiscal year succeeding the fiscal year in
12 which the adjustment is made. ~~However, for fiscal year 2013 and each year thereafter, if the~~
13 ~~levies specified in § 10-12-42 are not adjusted to maintain this relationship, the per student~~
14 ~~allocation as defined in § 13-13-10.1(4) shall be reduced to maintain the relationship between~~
15 ~~statewide local effort as a percentage of statewide local need.~~ Any adjustment to the levy for
16 agricultural property shall be based upon the change in the statewide agricultural taxable
17 valuation and the reclassification of agricultural property to another property classification. Any
18 adjustment to the levies for nonagricultural property and owner-occupied single-family
19 dwellings shall be based upon the change in the statewide nonagricultural property and owner-
20 occupied single-family dwellings taxable valuations. However, if any new project with a total
21 taxable valuation of one hundred fifty million dollars or more is constructed, the levies shall be
22 proportionately decreased for agricultural property, nonagricultural property, and owner-
23 occupied single-family dwellings. In addition to the adjustments in the levies provided by this
24 section, the levies shall also be annually adjusted as necessary to reduce the portion of local

1 need paid by local effort by an amount equal to nine million dollars from those funds transferred
2 into the property tax reduction fund pursuant to § 10-50-52 subsequent to July 1, 2007. In
3 addition to the adjustments in the levies provided by this section, the levies for nonagricultural
4 property and owner-occupied single-family dwellings shall also be adjusted as necessary to
5 account for the additional increase in the total assessed value for nonagricultural property and
6 owner-occupied single-family dwellings pursuant to the phasing out and repeal of the provisions
7 provided in § 10-6-74.

8 Section 5. The provisions of sections 3 and 4 are effective on July 1, 2013.